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H. R. 8427

[Report No. 1589]

IN THE SENATE OF THE UNITED STATES

OCTOBER 31 (legislative day, OCTOBER 22), 1963

Read twice and referred to the Committee on Armed Services

SEPTEMBER 21, 1964

Reported by Mr. STENNIS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To provide for the establishment and maintenance of a Central Intelligence Agency Retirement and Disability System for a limited number of employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled.*

3 TITLE I—SHORT TITLE AND DEFINITIONS

4 PART A—SHORT TITLE

5 SEC. 101. This Act may be cited as the "Central In-
6 telligence Agency Retirement Act of 1963 for Certain
7 Employees".

1 PART B—DEFINITIONS

2 SEC. 111. When used in this Act, the term—

3 ~~(1)~~ “Agency” means the Central Intelligence
4 Agency; and

5 ~~(2)~~ “Director” means the Director of Central
6 Intelligence.

7 ~~TITLE II—THE CENTRAL INTELLIGENCE AGENCY~~
8 ~~RETIREMENT AND DISABILITY SYSTEM~~

9 ~~PART A—ESTABLISHMENT OF SYSTEM~~

10 ~~RULES AND REGULATIONS~~

11 SEC. 201. ~~(a)~~ The Director may prescribe rules and
12 regulations for the establishment and maintenance of a Cen-
13 tral Intelligence Agency Retirement and Disability System
14 for a limited number of employees, referred to hereafter as
15 the system; such rules and regulations to become effective
16 after approval by the chairmen and ranking minority mem-
17 bers of the Armed Services Committees of the House and
18 Senate.

19 ~~(b)~~ The Director shall administer the system in accord-
20 ance with such rules and regulations and with the principles
21 established by this Act.

22 ~~(c)~~ In the interests of the security of the foreign intelli-
23 gence activities of the United States and in order further
24 to implement the proviso of section 102(d)(3) of the Na-
25 tional Security Act of 1947, as amended (50 U.S.C. 403

1 ~~(d)(3)~~), that the Director of Central Intelligence shall be
2 responsible for protecting intelligence sources and methods
3 from unauthorized disclosure, and notwithstanding the pro-
4 visions of the Administrative Procedure Act (5 U.S.C. 1001
5 et seq.) or any other provisions of law, any determinations
6 by the Director authorized by the provisions of this Act shall
7 be deemed to be final and conclusive and not subject to
8 review by any court.

9 ESTABLISHMENT AND MAINTENANCE OF FUND

10 SEC. 202. There is hereby created a fund to be known
11 as the Central Intelligence Agency Retirement and Disabil-
12 ity Fund which shall be maintained by the Director. The
13 Central Intelligence Agency Retirement and Disability Fund
14 is referred to hereafter as the fund.

15 PARTICIPANTS

16 SEC. 203. The Director may designate from time to
17 time such Agency officers and employees whose duties are
18 determined by the Director to be (i) in support of Agency
19 activities abroad hazardous to life or health or (ii) so special-
20 ized because of security requirements as to be clearly dis-
21 tinguishable from normal government employment, hereafter
22 referred to as participants, who shall be entitled to the bene-
23 fits of the system. Any participant who has completed
24 fifteen years of service with the Agency and whose career at
25 that time is adjudged by the Director to be qualifying for the

1 system may elect to remain a participant of such system for
2 the duration of his employment by the Agency and such elec-
3 tion shall not be subject to review or approval by the
4 Director.

5 ANNUITANTS

6 SEC. 204. (a) Annuitants shall be participants who are
7 receiving annuities from the fund and all persons, including
8 surviving wives and husbands, widows, dependent widowers,
9 children, and beneficiaries of participants or annuitants who
10 shall become entitled to receive annuities in accordance with
11 the provisions of this Act.

12 (b) When used in this Act the term—

13 (1) "Widow" means the surviving wife of a par-
14 ticipant who was married to such participant for at
15 least two years immediately preceding his death or is
16 the mother of issue by marriage to the participant.

17 (2) "Dependent widower" means the surviving
18 husband of a participant who was married to such
19 participant for at least two years immediately preceding
20 her death or is the father of issue by marriage to the
21 participant, and who is incapable of self-support by rea-
22 son of mental or physical disability, and who received
23 more than one-half of his support from such participant.

24 (3) "Child" means an unmarried child, under the
25 age of eighteen years, or such unmarried child regard-

1 less of age who, because of physical or mental disability
2 incurred before age eighteen, is incapable of self-support.
3 In addition to the offspring of the participant and his
4 or her spouse, the term includes (i) an adopted child,
5 and (ii) a stepchild or recognized natural child who
6 received more than one-half of his support from the
7 participant.

8 PART B—COMPULSORY CONTRIBUTIONS

9 SEC. 211. (a) Six and one-half per centum of the basic
10 salary received by each participant shall be contributed to
11 the fund for the payment of annuities, cash benefits, refunds
12 and allowances. An equal sum shall also be contributed
13 from the respective appropriation or fund which is used
14 for payment of his salary. The amounts deducted and with-
15 held from basic salary together with the amounts so contrib-
16 uted from the appropriation or fund shall be deposited by
17 the Agency to the credit of the fund.

18 (b) Each participant shall be deemed to consent and
19 agree to such deductions from basic salary, and payment less
20 such deductions shall be a full and complete discharge and
21 acquittance of all claims and demands whatsoever for all
22 regular services during the period covered by such payment,
23 except the right to the benefits to which he shall be entitled
24 under this Act, notwithstanding any law, rule, or regulation
25 affecting the individual's salary.

1 PART C—COMPUTATION OF ANNUITIES

2 SEC. 221. (a) The annuity of a participant shall be equal
3 to 2 per centum of his average basic salary for the highest
4 five consecutive years of service, for which full contributions
5 have been made to the fund, multiplied by the number of
6 years, not exceeding thirty-five, of service credit obtained in
7 accordance with the provisions of sections 251 and 252. In
8 determining the aggregate period of service upon which the
9 annuity is to be based, the fractional part of a month, if any,
10 shall not be counted.

11 (b) At the time of retirement, any married participant
12 may elect to receive a reduced annuity and to provide for
13 an annuity payable to his wife or her husband, commencing
14 on the date following such participant's death and terminat-
15 ing upon the death of such surviving wife or husband. The
16 annuity payable to the surviving wife or husband after such
17 participant's death shall be 50 per centum of the amount
18 of the participant's annuity computed as prescribed in para-
19 graph (a) of this section, up to the full amount of such an-
20 nuity specified by him as the base for the survivor benefits.
21 The annuity of the participant making such election shall be
22 reduced by $2\frac{1}{2}$ per centum of any amount up to \$2,400 he
23 specified as the base for the survivor benefit plus 10 per
24 centum of any amount over \$2,400 so specified.

1 ~~(c)~~-(1) If an annuitant dies and is survived by a wife
2 or husband and by a child or children, in addition to the
3 annuity payable to the surviving wife or husband, there shall
4 be paid to or on behalf of each child an annuity equal to the
5 smallest of: ~~(i)~~ 40 per centum of the annuitant's average
6 basic salary, as determined under paragraph ~~(a)~~ of this sec-
7 tion, divided by the number of children; ~~(ii)~~ \$600; or ~~(iii)~~
8 \$1,800 divided by the number of children.

9 ~~(2)~~ If an annuitant dies and is not survived by a wife
10 or husband but by a child or children, each surviving child
11 shall be paid an annuity equal to the smallest of: ~~(i)~~ 50 per
12 centum of the annuitant's average basic salary, as determined
13 under paragraph ~~(a)~~ of this section, divided by the number
14 of children; ~~(ii)~~ \$720; or ~~(iii)~~ \$2,160 divided by the num-
15 ber of children.

16 ~~(d)~~ If a surviving wife or husband dies or the annuity
17 of a child is terminated, the annuities of any remaining
18 children shall be recomputed and paid as though such wife,
19 husband, or child had not survived the participant.

20 ~~(e)~~ The annuity payable to a child under paragraph
21 ~~(c)~~ or ~~(d)~~ of this section shall begin on the first day of
22 the next month after the participant dies and such annuity
23 or any right thereto shall be terminated upon death, marriage,
24 or attainment of the age of eighteen years, except that, if a

1 child is incapable of self-support by reasons of mental or
2 physical disability, the annuity shall be terminated only when
3 such child dies, marries, or recovers from such disability.

4 ~~(f)~~ Any unmarried participant retiring under the pro-
5 visions of this Act and found by the Director to be in good
6 health may at the time of retirement elect a reduced annuity,
7 in lieu of the annuity as hereinbefore provided, and designate
8 in writing a person having an insurable interest (as that term
9 is used in 5 U.S.C. 2259(h)) in the participant to receive
10 an annuity after the participant's death. The annuity pay-
11 able to the participant making such election shall be reduced
12 by 10 per centum of an annuity computed as provided in
13 paragraph (a) of this section, and by 5 per centum of an
14 annuity so computed for each full five years the person
15 designated is younger than the participant, but such total
16 reduction shall not exceed 40 per centum. The annuity of a
17 survivor designated under this paragraph shall be 50 per
18 centum of the reduced annuity computed as prescribed above.
19 The annuity payable to a beneficiary under the provisions
20 of this paragraph shall begin on the first day of the next
21 month after the participant dies. Upon the death of the
22 surviving beneficiary all payments shall cease and no further
23 annuity payments authorized under this paragraph shall
24 be due or payable.

1 ~~PART D—BENEFITS ACCRUING TO CERTAIN PARTICIPANTS~~
2 ~~RETIREMENT FOR DISABILITY OR INCAPACITY—MEDICAL~~
3 ~~EXAMINATION—RECOVERY~~

4 SEC. 231. (a) Any participant who has five years of
5 service credit toward retirement under the system, excluding
6 military or naval service that is credited in accordance with
7 provisions of section 251 or 252(a)(2), and who becomes
8 totally disabled or incapacitated for useful and efficient serv-
9 ice by reason of disease, illness, or injury not due to vicious
10 habits, intemperance, or willful misconduct on his part,
11 shall, upon his own application or upon order of the Direc-
12 tor, be retired on an annuity computed as prescribed in
13 section 221. If the disabled or incapacitated participant has
14 less than twenty years of service credit toward his retire-
15 ment under the system at the time he is retired, his annuity
16 shall be computed on the assumption that he has had twenty
17 years of service, but the additional service credit that may
18 accrue to a participant under this provision shall in no case
19 exceed the difference between his age at the time of retire-
20 ment and the mandatory retirement age applicable to his
21 grade in the Agency.

22 (b) In each case, the participant shall be given a
23 medical examination by one or more duly qualified physi-

1 cians or surgeons designated by the Director to conduct
2 examinations; and disability shall be determined by the
3 Director on the basis of the advice of such physicians or
4 surgeons. Unless the disability is permanent, like examina-
5 tions shall be made annually until the annuitant has reached
6 the statutory mandatory retirement age for his grade in
7 the Agency. If the Director determines on the basis of
8 the advice of one or more duly qualified physicians or sur-
9 geons conducting such examinations that an annuitant has
10 recovered to the extent that he can return to duty, the
11 annuitant may apply for reinstatement or reappointment in
12 the Agency within one year from the date his recovery is
13 determined. Upon application the Director may reinstate
14 any such recovered disability annuitant in the grade in which
15 he was serving at time of retirement, or the Director may,
16 taking into consideration the age, qualifications, and experi-
17 ence of such annuitant, and the present grade of his con-
18 temporaries in the Agency, appoint him to a grade higher
19 than the one in which he was serving prior to retirement.
20 Payment of the annuity shall continue until a date six months
21 after the date of the examination showing recovery or until
22 the date of reinstatement or reappointment in the Agency,
23 whichever is earlier. Fees for examinations under this pro-
24 vision, together with reasonable traveling and other expenses
25 incurred in order to submit to examination, shall be paid out

1 of the fund. If the annuitant fails to submit to examination
2 as required under this section, payment of the annuity shall
3 be suspended until continuance of the disability is satisfac-
4 torily established.

5 ~~(c)~~ If a recovered disability annuitant whose annuity
6 is discontinued is for any reason not reinstated or re-
7 appointed in the Agency, he shall be considered to have been
8 separated within the meaning of paragraphs ~~(a)~~ and ~~(b)~~ of
9 section 234 as of the date he was retired for disability and he
10 shall, after the discontinuance of the disability annuity, be
11 entitled to the benefits of that section or of section 241(a)-
12 except that he may elect voluntary retirement in accordance
13 with the provisions of section 233 if he can qualify under its
14 provisions.

15 ~~(d)~~ No participant shall be entitled to receive an an-
16 nuity under this Act and compensation for injury or dis-
17 ability to himself under the Federal Employees' Compensa-
18 tion Act of September 7, 1916, as amended ~~(5 U.S.C. 751~~
19 ~~et seq.)~~, covering the same period of time. This provision
20 shall not bar the right of any claimant to the greater benefit
21 conferred by either Act for any part of the same period of
22 time. Neither this provision nor any provision of the said
23 Act of September 7, 1916, as amended, shall be so construed
24 as to deny the right of any participant to receive an annuity
25 under this Act by reason of his own services and to receive

1 concurrently any payment under such Act of September 7,
2 1916, as amended, by reason of the death of any other
3 person.

4 ~~(c)~~ Notwithstanding any provision of law to the con-
5 trary, the right of any person entitled to an annuity under
6 this Act shall not be affected because such person has re-
7 ceived an award of compensation in a lump sum under sec-
8 tion 14 of the Federal Employees' Compensation Act of
9 September 7, 1916, as amended (~~5~~ U.S.C. 764), except
10 that where such annuity is payable on account of the same
11 disability for which compensation under such section has
12 been paid, so much of such compensation as has been paid
13 for any period extended beyond the date such annuity be-
14 comes effective, as determined by the Secretary of Labor,
15 shall be refunded to the Department of Labor, to be paid
16 into the Federal Employees' compensation fund. Before
17 such person shall receive such annuity he shall ~~(1)~~ refund
18 to the Department of Labor the amount representing such
19 commuted payments for such extended period, or ~~(2)~~ au-
20 thorize the deduction of such amount from the annuity pay-
21 able to him under this Act, which amount shall be trans-
22 mitted to such Department for reimbursement to such fund.
23 Deductions from such annuity may be made from accrued
24 and accruing payments, or may be prorated against and paid
25 from accruing payments in such manner as the Secretary of

1 Labor shall determine, whenever he finds that the financial
2 circumstances of the annuitant are such as to warrant such
3 deferred refunding.

4 DEATH IN SERVICE

5 SEC. 232. (a) In case a participant dies and no claim
6 for annuity is payable under the provisions of this Act, his
7 contributions to the fund, with interest at the rates prescribed
8 in sections 241(a) and 281(a), shall be paid in the order
9 of precedence shown in section 241(b).

10 (b) If a participant, who has at least five years of serv-
11 ice credit toward retirement under the system, excluding
12 military or naval service that is credited in accordance with
13 the provisions of section 254 or 252(a)(2), dies before
14 separation or retirement from the Agency and is survived by
15 a widow or a dependent widower, as defined in section 204,
16 such widow or dependent widower shall be entitled to an an-
17 nuity equal to 50 per centum of the annuity computed in
18 accordance with the provisions of paragraph (c) of this
19 section and of section 221(a). The annuity of such widow
20 or dependent widower shall commence on the date following
21 death of the participant and shall terminate upon death of
22 the widow or dependent widower, or upon the dependent
23 widower's becoming capable of self-support.

24 (c) If a participant who has at least five years of service
25 credit toward retirement under the system, excluding mili-

1 tary or naval service that is credited in accordance with the
2 provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is survived by a
3 wife or a husband and a child or children, each surviving
4 child shall be entitled to an annuity computed in accordance
5 with the provisions of section 221(e)(1). The child's annuity shall begin and be terminated in accordance with the
6 provisions of section 221(e). Upon the death of the surviving wife or husband or termination of the annuity of a child,
7 the annuities of any remaining children shall be recomputed
8 and paid as though such wife or husband or child had not
9 survived the participant.

13 (d) If a participant who has at least five years of
14 service credit toward retirement under the system, excluding military or naval service that is credited in accordance
15 with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is not
16 survived by a wife or husband, but by a child or children,
17 each surviving child shall be entitled to an annuity computed
18 in accordance with the provisions of sections 221(e)(2).
19 The child's annuity shall begin and terminate in accordance
20 with the provisions of section 221(e). Upon termination
21 of the annuity of a child, the annuities of any remaining
22 children shall be recomputed and paid as though that child
23 had never been entitled to the benefit.

1 ~~(e)~~ If, at the time of his or her death, the participant
2 had less than twenty years of service credit toward retire-
3 ment under the system, the annuities payable in accordance
4 with paragraph ~~(b)~~ of this section shall be computed in
5 accordance with the provisions of section 221 on the assump-
6 tion he or she has had twenty years of service, but the ad-
7 ditional service credit that may accrue to a deceased partici-
8 pant under this provision shall in no case exceed the differ-
9 ence between his or her age on the date of death and the
10 mandatory retirement age applicable to his or her grade in
11 the Agency. In all cases arising under paragraphs ~~(b)~~,
12 ~~(c)~~, ~~(d)~~, or ~~(e)~~ of this section, it shall be assumed that the
13 deceased participant was qualified for retirement on the date
14 of his death.

15 VOLUNTARY RETIREMENT

16 SEC. 233. Any participant in the system who is at least
17 fifty years of age and has rendered twenty years of service
18 may on his own application and with the consent of the
19 Director be retired from the Agency and receive benefits in
20 accordance with the provisions of section 221 provided he
21 has not less than five years of service with the Agency.

22 DISCONTINUED SERVICE RETIREMENT

23 SEC. 234. ~~(a)~~ Any participant who separates from the
24 Agency after obtaining at least five years of service credit
25 toward retirement under the system, excluding military or

16

1 naval service that is credited in accordance with the pro-
2 visions of section 251 or 252(a)(2), may, upon separation
3 from the Agency or at any time prior to becoming eligible
4 for an annuity, elect to have his contributions to the fund
5 returned to him in accordance with the provisions of section
6 241, or (except in cases where the Director determines that
7 separation was based in whole or in part on the ground of
8 disloyalty to the United States) to leave his contributions in
9 the fund and receive an annuity, computed as prescribed in
10 section 221, commencing at the age of sixty years.

11 (b) If a participant who has qualified in accordance
12 with the provisions of paragraph (a) of this section to re-
13 ceive a deferred annuity commencing at the age of sixty dies
14 before reaching the age of sixty his contributions to the fund,
15 with interest, shall be paid in accordance with the provisions
16 of sections 241 and 281.

17 (c) The Director may in his discretion retire participants
18 in grade GS-14 and above. If so retired they shall receive
19 retirement benefits in accordance with the provisions of sec-
20 tion 221, provided they have in each case not less than five
21 years of qualifying and a total of ten years of service with
22 the Agency. Any individual so retired who does not meet
23 these service requirements shall receive the benefits pro-
24 vided for individuals in grade GS-13 as set out in paragraph
25 (d) of this section.

1 ~~(d)~~ The Director may in his discretion retire partici-
2 pants in grade GS-13 and below, and each such participant
3 shall receive—

4 ~~(1)~~ one-twelfth of a year's salary at his then cur-
5 rent salary rate for each year of service and proportion-
6 ately for a fraction of a year, but not exceeding a total
7 of one year's salary at his then current salary rate, pay-
8 able without interest, from the fund, in three equal in-
9 stallments on the 1st day of January following the par-
10 ticipant's retirement and on the two anniversaries of this
11 date immediately following: *Provided*, That in special
12 cases, the Director may in his discretion accelerate or
13 combine the installments; and

14 ~~(2)~~ a refund of the contributions made to the fund,
15 with interest as provided in section 241(a), except that
16 in lieu of such refund such participant, if he has at least
17 five years of service credit toward retirement under the
18 system, excluding military or naval service that is
19 credited in accordance with the provisions of section 251
20 or 252(a)(2), may elect to receive retirement benefits
21 on reaching the age of sixty in accordance with the pro-
22 visions of section 221. In the event that a participant
23 who was separated from grade GS-13 or GS-12 and who
24 has elected to receive retirement benefits dies before

1 reaching the age of sixty, his death shall be considered a
2 death in service within the meaning of section 232. In
3 the event that a participant who was separated from
4 grade GS-11 or below and who has elected to receive
5 retirement benefits dies before reaching the age of sixty,
6 the total amount of his contributions made to the fund,
7 with interest as provided in section 241(a), shall be
8 paid in accordance with the provisions of section
9 241(b).

10 (c) Notwithstanding the provisions of section 3477 of
11 the Revised Statutes, as amended (31 U.S.C. 203), or the
12 provisions of any other law, a participant who is retired in
13 accordance with the provisions of paragraph (d) of this sec-
14 tion shall have the right to assign to any person or corpora-
15 tion the whole or any part of the benefits receivable by him
16 pursuant to paragraph (d)(1) of this section.

17 **MANDATORY RETIREMENT FOR AGE**

18 SEC. 235. (a) Any participant in the system in grade
19 GS-18 or above shall upon reaching the age of sixty-five be
20 retired from the Agency and receive retirement benefits in
21 accordance with the provisions of section 221, but whenever
22 the Director shall determine it to be in the public interest,
23 he may extend such a participant's service for a period not to
24 exceed five years.

25 (b) Any participant in the system, other than in grade

1 GS-18 or above, shall upon reaching the age of sixty be re-
2 tired from the Agency and receive retirement benefits in ac-
3 cordance with the provisions of section 221, but whenever the
4 Director shall determine it to be in the public interest, he
5 may extend such a participant's service for a period not to
6 exceed five years.

7 ~~PART E—DISPOSITION OF CONTRIBUTIONS AND INTEREST~~
8 ~~IN EXCESS OF BENEFITS RECEIVED~~

9 SEC. 241. (a) Whenever a participant becomes sepa-
10 rated from the Agency without becoming eligible for an
11 annuity or a deferred annuity in accordance with the pro-
12 visions of this Act, the total amount of contributions from his
13 salary with interest thereon at 4 per centum per annum;
14 compounded annually as of December 31, and propor-
15 tionately for the period served during the year of separation
16 including all contributions made during or for such period;
17 except as provided in section 281, shall be returned to him.

18 (b) In the event that the total contributions of a retired
19 participant, other than voluntary contributions made in
20 accordance with the provisions of section 281, with interest
21 at 4 per centum per annum compounded annually as is pro-
22 vided in paragraph (a) of this section added thereto, exceed
23 the total amount returned to such participant or to an annui-
24 tant claiming through him, in the form of annuities, accumu-
25 lated at the same rate of interest up to the date the annuity

1 payments cease under the terms of the annuity, the excess
2 of the accumulated contributions over the accumulated an-
3 nuity payments shall be paid in the following order of
4 precedence, upon the establishment of a valid claim therefor,
5 and such payment shall be a bar to recovery by any other
6 person:

7 ~~(1)~~ To the beneficiary or beneficiaries designated
8 by such participant in writing to the Director;

9 ~~(2)~~ If there be no such beneficiary to the surviving
10 wife or husband of such participant;

11 ~~(3)~~ If none of the above, to the child or children
12 of such participant and descendants of deceased children
13 by representation;

14 ~~(4)~~ If none of the above, to the parents of such
15 participant or the survivor of them;

16 ~~(5)~~ If none of the above, to the duly appointed
17 executor or administrator of the estate of such
18 participant;

19 ~~(6)~~ If none of the above, to other next of kin of
20 such participant as may be determined by the Director
21 in his judgment to be legally entitled thereto.

22 ~~(c)~~ No payment shall be made pursuant to paragraph
23 ~~(b)-(6)~~ of this section until after the expiration of thirty
24 days from the death of the retired participant or his sur-
25 viving annuitant.

1 ~~PART F—PERIOD OF SERVICE FOR ANNUITIES~~

2 ~~COMPUTATION OF LENGTH OF SERVICE~~

3 ~~SEC. 251.~~ For the purposes of this Act, the period of
4 service of a participant shall be computed from the date he
5 becomes a participant under the provisions of this Act, but
6 all periods of separation from the Agency and so much of
7 any leaves of absence without pay as may exceed six months
8 in the aggregate in any calendar year shall be excluded,
9 except leaves of absence while receiving benefits under the
10 Federal Employees' Compensation Act of September 7,
11 1916, as amended (5 U.S.C. 751 et seq.), and leaves of
12 absence granted participants while performing active and
13 honorable military or naval service in the Army, Navy,
14 Air Force, Marine Corps, or Coast Guard of the United
15 States.

16 ~~PRIOR SERVICE CREDIT~~

17 ~~SEC. 252. (a)~~ A participant may, subject to the pro-
18 visions of this section, include in his period of service—

19 ~~(1)~~ civilian service in the executive, judicial, and
20 legislative branches of the Federal Government and in
21 the District of Columbia government, prior to becoming
22 a participant; and

23 ~~(2)~~ active and honorable military or naval service
24 in the Army, Navy, Air Force, Marine Corps, or Coast
25 Guard of the United States.

1 ~~(b)~~ A participant may obtain prior civilian service
2 credit in accordance with the provisions of paragraph ~~(a)~~
3 ~~(1)~~ of this section by making a special contribution to the
4 fund equal to 5 per centum of his basic annual salary for
5 each year of service for which credit is sought prior to
6 November 8, 1960, and at $6\frac{1}{2}$ per centum thereafter with
7 interest compounded annually at 4 per centum per annum to
8 the date of payment. Any such participant may, under such
9 conditions as may be determined in each instance by the
10 Director, pay such special contributions in installments.

11 ~~(c)~~ ~~(1)~~ If an officer or employee under some other Gov-
12 ernment retirement system becomes a participant in the sys-
13 tem by direct transfer, such officer or employee's total con-
14 tributions and deposits, including interest accrued thereon,
15 except voluntary contributions, shall be transferred to the
16 fund effective as of the date such officer or employee becomes
17 a participant in the system. Each such officer or employee
18 shall be deemed to consent to the transfer of such funds and
19 such transfer shall be a complete discharge and acquittance
20 of all claims and demands against the other Government
21 retirement fund on account of service rendered prior to
22 becoming a participant in the system.

23 ~~(2)~~ No participant, whose contributions are transferred
24 to the fund in accordance with the provisions of paragraph
25 ~~(c)~~ ~~(1)~~ of this section, shall be required to make contribu-

1 tions in addition to those transferred for periods of service
2 for which full contributions were made to the other Govern-
3 ment retirement fund, nor shall any refund be made to any
4 such participant on account of contributions made during any
5 period to the other Government retirement fund at a higher
6 rate than that fixed by section 211 of this Act for contribu-
7 tions to the fund.

8 ~~(3)~~ No participant, whose contributions are transferred
9 to the fund in accordance with the provisions of paragraph
10 ~~(c)(1)~~ of this section, shall receive credit for periods of
11 service for which a refund of contributions has been made,
12 or for which no contributions were made to the other Gov-
13 ernment retirement fund. A participant may, however,
14 obtain credit for such prior service by making a special
15 contribution to the fund in accordance with the provisions
16 of paragraph ~~(b)~~ of this section.

17 ~~(d)~~ No participant may obtain prior civilian service
18 credit toward retirement under the system for any period
19 of civilian service on the basis of which he is receiving or
20 will in the future be entitled to receive any annuity under
21 another retirement system covering civilian personnel of the
22 Government.

23 ~~(c)~~ A participant may obtain prior military or naval
24 service credit in accordance with the provisions of para-
25 graph ~~(a)(2)~~ of this section by applying for it to the

1 Director prior to retirement or separation from the Agency.
2 However, in the case of a participant who is eligible for and
3 receives retired pay on account of military or naval service,
4 the period of service upon which such retired pay is based
5 shall not be included, except that in the case of a participant
6 who is eligible for and receives retired pay on account of a
7 service-connected disability incurred in combat with an
8 enemy of the United States or caused by an instrumentality
9 of war and incurred in line of duty during a period of war
10 (as that term is used in chapter 11 of title 38, United States
11 Code), or is awarded under chapter 67 of title 10 of the
12 United States Code, the period of such military or naval
13 service shall be included. No contributions to the fund shall
14 be required in connection with military or naval service
15 credited to a participant in accordance with the provisions
16 of paragraph (a)-(2) of this section.

17 CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

18 SEC. 253. Contributions shall not be required covering
19 periods of leave of absence from the Agency granted a par-
20 ticipant while performing active military or naval service in
21 the Army, Navy, Air Force, Marine Corps, or Coast Guard
22 of the United States.

PART G—MONEYS

ESTIMATE OF APPROPRIATIONS NEEDED

SEC. 261. The Director shall prepare the estimates of the annual appropriations required to be made to the fund, and shall cause to be made actuarial valuations of the fund at intervals of five years, or oftener if deemed necessary by him.

INVESTMENT OF MONEYS IN THE FUND

SEC. 262. The Director may, with the approval of the Secretary of the Treasury, invest from time to time in interest-bearing securities of the United States such portions of the fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such fund.

ATTACHMENT OF MONEYS

SEC. 263. None of the moneys mentioned in this Act shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 234(e).

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1 PART H—RETIRED PARTICIPANTS RECALLED, REIN-
2 STATED, OR REAPPOINTED IN THE AGENCY, OR
3 REEMPLOYED IN THE GOVERNMENT RECALL

4 SEC. 271. (a) The Director may recall any retired par-
5 ticipant to duty in the Agency whenever he shall determine
6 such recall is in the public interest.

7 (b) Any such participant recalled to duty in the Agency
8 in accordance with the provisions of paragraph (a) of this
9 section or reinstated or reappointed in accordance with the
10 provisions of section 231(b) shall, while so serving, be
11 entitled in lieu of his annuity to the full salary of the grade
12 in which he is serving. During such service, he shall make
13 contributions to the fund in accordance with the provisions
14 of section 211. When he reverts to his retired status, his
15 annuity shall be determined anew in accordance with the
16 provisions of section 221.

17 REEMPLOYMENT

18 SEC. 272. Notwithstanding any other provision of law,
19 a participant retired under the provisions of this Act shall
20 not, by reason of his retired status, be barred from employ-
21 ment in Federal Government service in any appointive
22 position for which he is qualified. An annuitant so re-
23 employed shall serve at the will of the appointing officer.

1 REEMPLOYMENT COMPENSATION

2 SEC. 273. (a) Notwithstanding any other provision of
3 law, any annuitant who has retired under this Act and who
4 is reemployed in the Federal Government service in any
5 appointive position either on a part-time or full-time basis
6 shall be entitled to receive the salary of the position in which
7 he is serving plus so much of his annuity payable under this
8 Act which when combined with such salary does not exceed
9 during any calendar year the basic salary such annuitant
10 was entitled to receive on the date of his retirement from the
11 Agency. Any such reemployed annuitant who receives
12 salary during any calendar year in excess of the maximum
13 amount which he may be entitled to receive under this
14 paragraph shall be entitled to such salary in lieu of benefits
15 hereunder.

16 (b) When any such retired annuitant is reemployed,
17 the employer shall send a notice to the Agency of such re-
18 employment together with all pertinent information relating
19 thereto, and shall pay directly to such annuitant the salary
20 of the position in which he is serving.

21 (c) In the event of any overpayment under this section,
22 such overpayment shall be recovered by withholding the
23 amount involved from the salary payable to such reemployed

1 annuitant, or from any other moneys, including his annuity,
2 payable in accordance with the provisions of this Act.

3 PART I—VOLUNTARY CONTRIBUTIONS

4 SEC. 281. (a) Any participant may, at his option and
5 under such regulations as may be prescribed by the Director,
6 deposit additional sums in multiples of 1 per centum of his
7 basic salary, but not in excess of 10 per centum of such
8 salary, which amounts together with interest at 3 per centum
9 per annum, compounded annually as of December 31, and
10 proportionately for the period served during the year of his
11 retirement, including all contributions made during or for
12 such period, shall, at the date of his retirement and at his
13 election, be—

- 14 ~~(1)~~ returned to him in lump sum; or
15 ~~(2)~~ used to purchase an additional life annuity; or
16 ~~(3)~~ used to purchase an additional life annuity for
17 himself and to provide for a cash payment on his death
18 to a beneficiary whose name shall be notified in writing
19 to the Director by the participant; or
20 ~~(4)~~ used to purchase an additional life annuity for
21 himself and a life annuity commencing on his death
22 payable to a beneficiary whose name shall be notified in
23 writing to the Director by the participant with a guar-

1 anteed return to the beneficiary or his legal repre-
2 sentative of an amount equal to the cash payment re-
3 ferred to in subparagraph (3) above.

4 (b) The benefits provided by subparagraphs (2), (3),
5 or (4) of paragraph (a) of this section shall be actuarially
6 equivalent in value to the payment provided for by sub-
7 paragraph (a)(1) of this section and shall be calculated
8 upon such tables of mortality as may be from time to time
9 prescribed for this purpose by the Director.

10 (c) In case a participant shall become separated from
11 the Agency for any reason except retirement on an annuity,
12 the amount of any additional deposits with interest at 3
13 per centum per annum, compounded as is provided in
14 paragraph (a) of this section, made by him under the provi-
15 sions of said paragraph (a) shall be refunded in the manner
16 provided in section 241 for the return of contributions and
17 interest in the case of death or separation from the Agency.

18 (d) Any benefits payable to a participant or to his
19 beneficiary in respect to the additional deposits provided
20 under this section shall be in addition to the benefits other-
21 wise provided under this Act.

1 *TITLE I—TITLE AND DEFINITIONS*

2 *PART A—TITLE*

3 *SEC. 101. This Act may be cited as the "Central In-*
4 *telligence Agency Retirement Act of 1964 for Certain*
5 *Employees".*

6 *PART B—DEFINITIONS*

7 *SEC. 111. When used in this Act, the term—*

8 (1) "Agency" means the Central Intelligence
9 Agency;

10 (2) "Director" means the Director of Central
11 Intelligence; and

12 (3) "Qualifying service" means service performed
13 as a participant in the system or, in the case of service
14 prior to designation, service determined by the Director
15 to have been performed in carrying out duties described
16 in section 203.

17 *TITLE II—THE CENTRAL INTELLIGENCE*
18 *AGENCY RETIREMENT AND DISABILITY*
19 *SYSTEM*

20 *PART A—ESTABLISHMENT OF SYSTEM*

21 *RULES AND REGULATIONS*

22 *SEC. 201. (a) The Director may prescribe rules and*
23 *regulations for the establishment and maintenance of a Cen-*
24 *tral Intelligence Agency Retirement and Disability System*
25 *for a limited number of employees, referred to hereafter as*

1 *the system; such rules and regulations to become effective*
 2 *after approval by the chairman and ranking minority mem-*
 3 *bers of the Armed Services Committees of the House and*
 4 *Senate.*

5 *(b) The Director shall administer the system in accord-*
 6 *ance with such rules and regulations and with the principles*
 7 *established by this Act.*

8 *(c) In the interests of the security of the foreign intelli-*
 9 *gence activities of the United States and in order further*
 10 *to implement the proviso of section 102(d)(3) of the Na-*
 11 *tional Security Act of 1947, as amended (50 U.S.C. 403*
 12 *(d)(3)), that the Director of Central Intelligence shall be*
 13 *responsible for protecting intelligence sources and methods*
 14 *from unauthorized disclosure, and notwithstanding the pro-*
 15 *visions of the Administrative Procedure Act (5 U.S.C. 1001*
 16 *et seq.) or any other provisions of law, any determinations*
 17 *by the Director authorized by the provisions of this Act shall*
 18 *be deemed to be final and conclusive and not subject to*
 19 *review by any court.*

20 *ESTABLISHMENT AND MAINTENANCE OF FUND*

21 *SEC. 202. There is hereby created a fund to be known*
 22 *as the Central Intelligence Agency Retirement and Disabil-*
 23 *ity Fund which shall be maintained by the Director. The*
 24 *Central Intelligence Agency Retirement and Disability Fund*
 25 *is referred to hereafter as the fund.*

1 *PARTICIPANTS*

2 *SEC. 203. The Director may designate from time to*
 3 *time such Agency officers and employees whose duties are*
 4 *determined by the Director to be (i) in support of Agency*
 5 *activities abroad hazardous to life or health or (ii) so special-*
 6 *ized because of security requirements as to be clearly dis-*
 7 *tinguishable from normal government employment, hereafter*
 8 *referred to as participants, who shall be entitled to the bene-*
 9 *fits of the system. Any participant who has completed*
 10 *fifteen years of service with the Agency and whose career at*
 11 *that time is adjudged by the Director to be qualifying for the*
 12 *system may elect to remain a participant of such system for*
 13 *the duration of his employment by the Agency and such elec-*
 14 *tion shall not be subject to review or approval by the*
 15 *Director.*

16 *ANNUITANTS*

17 *SEC. 204. (a) Annuityants shall be participants who are*
 18 *receiving annuities from the fund and all persons, including*
 19 *surviving wives and husbands, widows, dependent widowers,*
 20 *children, and beneficiaries of participants or annuityants who*
 21 *shall become entitled to receive annuities in accordance with*
 22 *the provisions of this Act.*

23 *(b) When used in this Act the term—*

24 *(1) "Widow" means the surviving wife of a par-*
 25 *ticipant who was married to such participant for at*

1 *least two years immediately preceding his death or is*
2 *the mother of issue by marriage to the participant.*

3 (2) "*Dependent widower*" means the surviving
4 *husband of a participant who was married to such*
5 *participant for at least two years immediately preceding*
6 *her death or is the father of issue by marriage to the*
7 *participant, and who is incapable of self-support by rea-*
8 *son of mental or physical disability, and who received*
9 *more than one-half of his support from such participant.*

10 (3) "*Child*", for the purposes of sections 221 and
11 *232 of this Act, means an unmarried child, including*
12 *(i) an adopted child, and (ii) a stepchild or recognized*
13 *natural child who received more than one-half of his sup-*
14 *port from and lived with the participant in a regular*
15 *parent-child relationship, under the age of eighteen years,*
16 *or such unmarried child regardless of age who because of*
17 *physical or mental disability incurred before age eighteen*
18 *is incapable of self-support or such unmarried child be-*
19 *tween eighteen and twenty-one years of age who is a student*
20 *regularly pursuing a full-time course of study or training*
21 *in residence in a high school, trade school, technical or*
22 *vocational institute, junior college, college, university, or*
23 *comparable recognized educational institution. A child*
24 *whose twenty-first birthday occurs prior to July 1 or after*
25 *August 31 of any calendar year, and while he is regu-*

1 *larly pursuing such a course of study or training, shall*
2 *be deemed for the purposes of this paragraph and section*
3 *221(e) of this Act to have attained the age of twenty-one*
4 *on the first day of July following such birthday. A child*
5 *who is a student shall not be deemed to have ceased to be*
6 *a student during any interim between school years if the*
7 *interim does not exceed four months and if he shows to*
8 *the satisfaction of the Director that he has a bona fide*
9 *intention of continuing to pursue a course of study or*
10 *training in the same or different school during the school*
11 *semester (or other period into which the school year is*
12 *divided) immediately following the interim.*

13 *PART B—COMPULSORY CONTRIBUTIONS*

14 *SEC. 211. (a) Six and one-half per centum of the basic*
15 *salary received by each participant shall be contributed to*
16 *the fund for the payment of annuities, cash benefits, refunds*
17 *and allowances. An equal sum shall also be contributed*
18 *from the respective appropriation or fund which is used*
19 *for payment of his salary. The amounts deducted and with-*
20 *held from basic salary together with the amounts so contrib-*
21 *uted from the appropriation or fund shall be deposited by*
22 *the Agency to the credit of the fund.*

23 *(b) Each participant shall be deemed to consent and*
24 *agree to such deductions from basic salary, and payment less*
25 *such deductions shall be a full and complete discharge and*

1 *acquittance of all claims and demands whatsoever for all*
2 *regular services during the period covered by such payment,*
3 *except the right to the benefits to which he shall be entitled*
4 *under this Act, notwithstanding any law, rule, or regulation*
5 *affecting the individual's salary.*

6 *PART C—COMPUTATION OF ANNUITIES*

7 *SEC. 221. (a) The annuity of a participant shall be*
8 *equal to 2 per centum of his average basic salary for the*
9 *highest five consecutive years of service, for which full con-*
10 *tributions have been made to the fund, multiplied by the*
11 *number of years, not exceeding thirty-five, of service credit*
12 *obtained in accordance with the provisions of sections 251*
13 *and 252. In determining the aggregate period of service*
14 *upon which the annuity is to be based, the fractional part*
15 *of a month, if any, shall not be counted.*

16 *(b) At the time of retirement, any married participant*
17 *may elect to receive a reduced annuity and to provide for*
18 *an annuity payable to his wife or her husband, commencing*
19 *on the date following such participant's death and terminat-*
20 *ing upon the death or remarriage of such surviving wife or*
21 *husband. The annuity payable to the surviving wife or hus-*
22 *band after such participant's death shall be 55 per centum*
23 *of the amount of the participant's annuity computed as pre-*
24 *scribed in paragraph (a) of this section, up to the full*
25 *amount of such annuity specified by him as the base for the*

1 survivor benefits. The annuity of the participant making
2 such election shall be reduced by $2\frac{1}{2}$ per centum of any
3 amount up to \$3,600 he specified as the base for the survivor
4 benefit plus 10 per centum of any amount over \$3,600 so
5 specified.

6 (c)(1) If an annuitant dies and is survived by a wife
7 or husband and by a child or children, in addition to the
8 annuity payable to the surviving wife or husband, there shall
9 be paid to or on behalf of each child an annuity equal to the
10 smallest of: (i) 40 per centum of the annuitant's average
11 basic salary, as determined under paragraph (a) of this sec-
12 tion, divided by the number of children; (ii) \$600; or (iii)
13 \$1,800 divided by the number of children.

14 (2) If an annuitant dies and is not survived by a wife
15 or husband but by a child or children, each surviving child
16 shall be paid an annuity equal to the smallest of: (i) 50 per
17 centum of the annuitant's average basic salary, as determined
18 under paragraph (a) of this section, divided by the number
19 of children; (ii) \$720; or (iii) \$2,160 divided by the num-
20 ber of children.

21 (d) If a surviving wife or husband dies or the annuity
22 of a child is terminated, the annuities of any remaining
23 children shall be recomputed and paid as though such wife,
24 husband, or child had not survived the participant.

25 (e) The annuity payable to a child under paragraph

1 (c) or (d) of this section shall begin on the day after the
2 participant dies, and such annuity or any right thereto shall
3 terminate on the last day of the month before (1) his attain-
4 ing age eighteen unless incapable of self-support, (2) his
5 becoming capable of self-support after age eighteen, (3) his
6 marriage, or (4) his death, except that the annuity of a child
7 who is a student as described in section 204(b)(3) of this
8 Act shall terminate on the last day of the month before (1) his
9 marriage, (2) his death, (3) his ceasing to be such a student,
10 or (4) his attaining age twenty-one.

11 (f) Any unmarried participant retiring under the pro-
12 visions of this Act and found by the Director to be in good
13 health may at the time of retirement elect a reduced annuity,
14 in lieu of the annuity as hereinbefore provided, and designate
15 in writing a person having an insurable interest (as that term
16 is used in section 9(h) of the Civil Service Retirement Act (5
17 U.S.C. 2259(h))) in the participant to receive an an-
18 nuity after the participant's death. The annuity pay-
19 able to the participant making such election shall be reduced
20 by 10 per centum of an annuity computed as provided in
21 paragraph (a) of this section, and by 5 per centum of an
22 annuity so computed for each full five years the person
23 designated is younger than the participant, but such total
24 reduction shall not exceed 40 per centum. The annuity of a
25 survivor designated under this paragraph shall be 55 per

1 *centum of the reduced annuity computed as prescribed above.*
2 *The annuity payable to a beneficiary under the provisions*
3 *of this paragraph shall begin on the first day of the next*
4 *month after the participant dies. Upon the death of the*
5 *surviving beneficiary all payments shall cease and no further*
6 *annuity payments authorized under this paragraph shall be*
7 *due or payable.*

8 *PART D—BENEFITS ACCRUING TO CERTAIN*

9 *PARTICIPANTS*

10 *RETIREMENT FOR DISABILITY OR INCAPACITY—MEDICAL*
11 *EXAMINATION—RECOVERY*

12 *SEC. 231. (a) Any participant who has five years of*
13 *service credit toward retirement under the system, excluding*
14 *military or naval service that is credited in accordance with*
15 *provisions of section 251 or 252(a)(2), and who becomes*
16 *totally disabled or incapacitated for useful and efficient serv-*
17 *ice by reason of disease, illness, or injury not due to vicious*
18 *habits, intemperance, or willful misconduct on his part,*
19 *shall, upon his own application or upon order of the Direc-*
20 *tor, be retired on an annuity computed as prescribed in*
21 *section 221. If the disabled or incapacitated participant is*
22 *under sixty and has less than twenty years of service credit*
23 *toward his retirement under the system at the time he is*
24 *retired, his annuity shall be computed on the assumption that*
25 *he has had twenty years of service, but the additional service*

1 *credit that may accrue to a participant under this provision*
2 *shall in no case exceed the difference between his age at the*
3 *time of retirement and age sixty, but this provision shall not*
4 *increase the annuity of any survivor.*

5 *(b) In each case, the participant shall be given a*
6 *medical examination by one or more duly qualified physi-*
7 *cians or surgeons designated by the Director to conduct*
8 *examinations, and disability shall be determined by the*
9 *Director on the basis of the advice of such physicians or*
10 *surgeons. Unless the disability is permanent, like examina-*
11 *tions shall be made annually until the annuitant has reached*
12 *the statutory mandatory retirement age for his grade as*
13 *provided in section 235. If the Director determines on the*
14 *basis of the advice of one or more duly qualified physicians or*
15 *surgeons conducting such examinations that an annuitant has*
16 *recovered to the extent that he can return to duty, the an-*
17 *nuitant may apply for reinstatement or reappointment in the*
18 *Agency within one year from the date his recovery is deter-*
19 *mined. Upon application the Director may reinstate any*
20 *such recovered disability annuitant in the grade in which he*
21 *was serving at time of retirement, or the Director may, taking*
22 *into consideration the age, qualifications, and experience of*
23 *such annuitant, and the present grade of his contemporaries*
24 *in the Agency, appoint him to a grade higher than the one in*
25 *which he was serving prior to retirement. Payment of the*

1 annuity shall continue until a date six months after the date
2 of the examination showing recovery or until the date of
3 reinstatement or reappointment in the Agency, whichever is
4 earlier. Fees for examinations under this provision, together
5 with reasonable traveling and other expenses incurred in
6 order to submit to examination, shall be paid out of the fund.
7 If the annuitant fails to submit to examination as required
8 under this section, payment of the annuity shall be suspended
9 until continuance of the disability is satisfactorily established.

10 (c) If a recovered disability annuitant whose annuity
11 is discontinued is for any reason not reinstated or re-
12 appointed in the Agency, he shall be considered to have been
13 separated within the meaning of paragraphs (a) and (b) of
14 section 234 as of the date he was retired for disability and he
15 shall, after the discontinuance of the disability annuity, be
16 entitled to the benefits of that section or of section 241(a)
17 except that he may elect voluntary retirement in accordance
18 with the provisions of section 233 if he can qualify under its
19 provisions.

20 (d) No participant shall be entitled to receive an an-
21 nuity under this Act and compensation for injury or dis-
22 ability to himself under the Federal Employees' Compensa-
23 tion Act of September 7, 1916, as amended (5 U.S.C. 751
24 et seq.), covering the same period of time. This provision
25 shall not bar the right of any claimant to the greater benefit

1 conferred by either Act for any part of the same period of
2 time. Neither this provision nor any provision of the said
3 Act of September 7, 1916, as amended, shall be so construed
4 as to deny the right of any participant to receive an annuity
5 under this Act by reason of his own services and to receive
6 concurrently any payment under such Act of September 7,
7 1916, as amended, by reason of the death of any other
8 person.

9 (e) Notwithstanding any provision of law to the con-
10 trary, the right of any person entitled to an annuity under
11 this Act shall not be affected because such person has re-
12 ceived an award of compensation in a lump sum under sec-
13 tion 14 of the Federal Employees' Compensation Act of
14 September 7, 1916, as amended (5 U.S.C. 764), except
15 that where such annuity is payable on account of the same
16 disability for which compensation under such section has
17 been paid, so much of such compensation as has been paid
18 for any period extended beyond the date such annuity be-
19 comes effective, as determined by the Secretary of Labor,
20 shall be refunded to the Department of Labor, to be paid
21 into the Federal employees' compensation fund. Before
22 such person shall receive such annuity he shall (1) refund
23 to the Department of Labor the amount representing such
24 commuted payments for such extended period, or (2) au-
25 thorize the deduction of such amount from the annuity pay-

1 able to him under this Act, which amount shall be trans-
2 mitted to such Department for reimbursement to such fund.
3 Deductions from such annuity may be made from accrued
4 and accruing payments, or may be prorated against and paid
5 from accruing payments in such manner as the Secretary of
6 Labor shall determine, whenever he finds that the financial
7 circumstances of the annuitant are such as to warrant such
8 deferred refunding.

9

DEATH IN SERVICE

10 SEC. 232. (a) In case a participant dies and no claim
11 for annuity is payable under the provisions of this Act, his
12 contributions to the fund, with interest at the rates prescribed
13 in sections 241(a) and 281(a), shall be paid in the order
14 of precedence shown in section 241(b).

15 (b) If a participant, who has at least five years of serv-
16 ice credit toward retirement under the system, excluding
17 military or naval service that is credited in accordance with
18 the provisions of section 251 or 252(a)(2), dies before
19 separation or retirement from the Agency and is survived by
20 a widow or a dependent widower, as defined in section 204,
21 such widow or dependent widower shall be entitled to an an-
22 nuity equal to 55 per centum of the annuity computed in
23 accordance with the provisions of section 221(a). The an-
24 nuity of such widow or dependent widower shall commence on
25 the date following death of the participant and shall terminate

1 upon death or remarriage of the widow or dependent widower,
2 or upon the dependent widower's becoming capable of self-
3 support.

4 (c) If a participant who has at least five years of service
5 credit toward retirement under the system, excluding mili-
6 tary or naval service that is credited in accordance with the
7 provisions of section 251 or 252(a)(2), dies before separa-
8 tion or retirement from the Agency and is survived by a
9 wife or a husband and a child or children, each surviving
10 child shall be entitled to an annuity computed in accordance
11 with the provisions of section 221(c)(1). The child's an-
12 nuity shall begin and be terminated in accordance with the
13 provisions of section 221(e). Upon the death of the surviv-
14 ing wife or husband or termination of the annuity of a child,
15 the annuities of any remaining children shall be recomputed
16 and paid as though such wife or husband or child had not
17 survived the participant.

18 (d) If a participant who has at least five years of
19 service credit toward retirement under the system, exclud-
20 ing military or naval service that is credited in accordance
21 with the provisions of section 251 or 252(a)(2), dies be-
22 fore separation or retirement from the Agency and is not
23 survived by a wife or husband, but by a child or children,
24 each surviving child shall be entitled to an annuity computed
25 in accordance with the provisions of section 221(c)(2).

1 *The child's annuity shall begin and terminate in accordance*
2 *with the provisions of section 221(e). Upon termination*
3 *of the annuity of a child, the annuities of any remaining*
4 *children shall be recomputed and paid as though that child*
5 *had never been entitled to the benefit.*

6 *VOLUNTARY RETIREMENT*

7 *SEC. 233. Any participant in the system who is at least*
8 *fifty years of age and has rendered twenty years of service*
9 *may on his own application and with the consent of the*
10 *Director be retired from the Agency and receive benefits in*
11 *accordance with the provisions of section 221 provided he*
12 *has not less than ten years of service with the Agency*
13 *of which at least five shall have been qualifying service.*

14 *DISCONTINUED SERVICE BENEFITS*

15 *SEC. 234. (a) Any participant who separates from the*
16 *Agency after having performed not less than five years of*
17 *service with the Agency, may, upon separation from the*
18 *Agency or at any time prior to becoming eligible for an*
19 *annuity, elect to have his contributions to the fund returned*
20 *to him in accordance with the provisions of section 241, or*
21 *(except in cases where the Director determines that separation*
22 *was based in whole or in part on the ground of disloyalty*
23 *to the United States) to leave his contributions in the fund*
24 *and receive an annuity, computed as prescribed in section*
25 *221, commencing at the age of sixty-two years.*

1 (b) If a participant who has qualified in accordance
2 with the provisions of paragraph (a) of this section to re-
3 ceive a deferred annuity commencing at the age of sixty-two
4 dies before reaching the age of sixty-two his contributions
5 to the fund, with interest, shall be paid in accordance with
6 the provisions of sections 241 and 281.

7 MANDATORY RETIREMENT

8 SEC. 235. (a) The Director may in his discretion place
9 in a retired status any participant who has completed at
10 least twenty-five years of service, or who is at least fifty
11 years of age and has completed at least twenty years of
12 service, provided such participant has not less than ten
13 years of service with the Agency of which at least five shall
14 have been qualifying service. If so retired, such participant
15 shall receive retirement benefits in accordance with the pro-
16 visions of section 221.

17 (b) Any participant in the system receiving compensa-
18 tion at the rate of grade GS-18 or above shall be auto-
19 matically separated from the Agency upon reaching the age
20 of sixty-five. Any participant in the system receiving com-
21 pensation at a rate less than grade GS-18 shall be auto-
22 matically separated from the Agency upon reaching the age
23 of sixty. Such separation shall be effective on the last day
24 of the month in which a participant reaches age sixty or
25 sixty-five, as specified in this section, but whenever the Di-

1 rector shall determine it to be in the public interest, he may
2 extend such participant's service for a period not to exceed
3 five years. A participant separated under the provisions of
4 this section who has completed five years of Agency service
5 shall receive retirement benefits in accordance with the pro-
6 visions of section 221 of this Act.

7 *LIMITATION ON NUMBER OF RETIREMENTS*

8 *SEC. 236. The number of participants retiring on an*
9 *annuity pursuant to sections 233, 234, and 235 of this Act*
10 *shall not exceed a total of four hundred during the period*
11 *ending on June 30, 1969, nor a total of four hundred during*
12 *the period beginning on July 1, 1969, and ending on June*
13 *30, 1974.*

14 *PART E—DISPOSITION OF CONTRIBUTIONS AND INTEREST*
15 *IN EXCESS OF BENEFITS RECEIVED*

16 *SEC. 241. (a) Whenever a participant becomes sepa-*
17 *rated from the Agency without becoming eligible for an*
18 *annuity or a deferred annuity in accordance with the pro-*
19 *visions of this Act, the total amount of contributions from his*
20 *salary with interest thereon at 4 per centum per annum to*
21 *December 31, 1947, and 3 per centum per annum thereafter*
22 *compounded annually to December 31, 1956 (or, in the case*
23 *of a participant separated from the Agency before he has*
24 *completed five years of service, to the date of separation) and*

1 proportionately for the period served during the year of sepa-
2 ration including all contributions made during or for such
3 period, except as provided in section 281, shall be returned
4 to him.

5 (b) In the event that the total contributions of a retired
6 participant, other than voluntary contributions made in
7 accordance with the provisions of section 281, with interest
8 at the rates provided in paragraph (a) of this section added
9 thereto, exceed the total amount returned to such participant
10 or to an annuitant claiming through him, in the form of
11 annuities, the excess of the accumulated contributions over
12 the accumulated annuity payments shall be paid in the fol-
13 lowing order of precedence, upon the establishment of a valid
14 claim therefor, and such payment shall be a bar to recovery
15 by any other person:

16 (1) To the beneficiary or beneficiaries designated
17 by such participant in writing to the Director;

18 (2) If there be no such beneficiary to the surviving
19 wife or husband of such participant;

20 (3) If none of the above, to the child or children
21 of such participant and descendants of deceased children
22 by representation;

23 (4) If none of the above, to the parents of such
24 participant or the survivor of them;

1 (5) If none of the above, to the duly appointed
2 executor or administrator of the estate of such
3 participant;

4 (6) If none of the above, to other next of kin
5 of such participant as may be determined by the Director
6 in his judgment to be legally entitled thereto.

7 (c) No payment shall be made pursuant to paragraph
8 (b)(6) of this section until after the expiration of thirty
9 days from the death of the retired participant or his sur-
10 viving annuitant.

11 PART F—PERIOD OF SERVICE FOR ANNUITIES

12 COMPUTATION OF LENGTH OF SERVICE

13 SEC. 251. For the purposes of this Act, the period of
14 service of a participant shall be computed from the date he
15 becomes a participant under the provisions of this Act, but
16 all periods of separation from the Agency and so much of
17 any leaves of absence without pay as may exceed six months
18 in the aggregate in any calendar year shall be excluded,
19 except leaves of absence while receiving benefits under the
20 Federal Employees' Compensation Act of September 7,
21 1916, as amended (5 U.S.C. 751 et seq.), and leaves of
22 absence granted participants while performing active and
23 honorable military or naval service in the Army, Navy,
24 Air Force, Marine Corps, or Coast Guard of the United
25 States.

1 *PRIOR SERVICE CREDIT*

2 *SEC. 252. (a) A participant may, subject to the pro-*
3 *visions of this section, include in his period of service—*

4 *(1) civilian service in the executive, judicial, and*
5 *legislative branches of the Federal Government and in*
6 *the District of Columbia government, prior to becoming*
7 *a participant; and*

8 *(2) active and honorable military or naval service*
9 *in the Army, Navy, Air Force, Marine Corps, or Coast*
10 *Guard of the United States prior to the date of the*
11 *separation upon which title to annuity is based.*

12 *(b) A participant may obtain prior civilian service*
13 *credit in accordance with the provisions of paragraph (a)*
14 *(1) of this section by making a special contribution to the*
15 *fund equal to the percentage of his basic annual salary for*
16 *each year of service for which credit is sought specified with*
17 *respect to such year in the table relating to employees con-*
18 *tained in section 4(c) of the Civil Service Retirement Act*
19 *(5 U.S.C. 2254(c)), together with interest computed as*
20 *provided in section 4(e) of such Act (5 U.S.C. 2254(e)).*
21 *Any such participant may, under such conditions as may be*
22 *determined in each instance by the Director, pay such special*
23 *contributions in installments.*

24 *(c) (1) If an officer or employee under some other Gov-*
25 *ernment retirement system becomes a participant in the sys-*

1 *tem by direct transfer, such officer or employee's total con-*
2 *tributions and deposits, including interest accrued thereon,*
3 *except voluntary contributions, shall be transferred to the*
4 *fund effective as of the date such officer or employee becomes*
5 *a participant in the system. Each such officer or employee*
6 *shall be deemed to consent to the transfer of such funds and*
7 *such transfer shall be a complete discharge and acquittance*
8 *of all claims and demands against the other Government*
9 *retirement fund on account of service rendered prior to*
10 *becoming a participant in the system.*

11 (2) *No participant, whose contributions are transferred*
12 *to the fund in accordance with the provisions of paragraph*
13 *(c)(1) of this section, shall be required to make contribu-*
14 *tions in addition to those transferred for periods of service*
15 *for which full contributions were made to the other Govern-*
16 *ment retirement fund, nor shall any refund be made to any*
17 *such participant on account of contributions made during any*
18 *period to the other Government retirement fund at a higher*
19 *rate than that fixed for employees by section 4(c) of the*
20 *Civil Service Retirement Act (5 U.S.C. 2254(c)) for con-*
21 *tributions to the fund.*

22 (3) *No participant, whose contributions are transferred*
23 *to the fund in accordance with the provisions of paragraph*
24 *(c)(1) of this section, shall receive credit for periods of*
25 *service for which a refund of contributions has been made,*

1 or for which no contributions were made to the other Gov-
2 ernment retirement fund. A participant may, however,
3 obtain credit for such prior service by making a special
4 contribution to the fund in accordance with the provisions
5 of paragraph (b) of this section.

6 (d) No participant may obtain prior civilian service
7 credit toward retirement under the system for any period
8 of civilian service on the basis of which he is receiving or
9 will in the future be entitled to receive any annuity under
10 another retirement system covering civilian personnel of the
11 Government.

12 (e) A participant may obtain prior military or naval
13 service credit in accordance with the provisions of para-
14 graph (a)(2) of this section by applying for it to the
15 Director prior to retirement or separation from the Agency.
16 However, in the case of a participant who is eligible for and
17 receives retired pay on account of military or naval service,
18 the period of service upon which such retired pay is based
19 shall not be included, except that in the case of a participant
20 who is eligible for and receives retired pay on account of a
21 service-connected disability incurred in combat with an
22 enemy of the United States or caused by an instrumentality
23 of war and incurred in line of duty during a period of war
24 (as that term is used in chapter 11 of title 38, United States
25 Code), or is awarded under chapter 67 of title 10 of the

1 *United States Code, the period of such military or naval*
 2 *service shall be included. No contributions to the fund shall*
 3 *be required in connection with military or naval service*
 4 *credited to a participant in accordance with the provisions*
 5 *of paragraph (a)(2) of this section.*

6 *(f) Notwithstanding any other provision of this section or*
 7 *section 253 any military service (other than military service*
 8 *covered by military leave with pay) performed by a partici-*
 9 *pant after December 1956 shall be excluded in determining the*
 10 *aggregate period of service upon which an annuity payable*
 11 *under this Act to such participant or to his widow or child is*
 12 *to be based, if such participant or widow or child is entitled*
 13 *(or would upon proper application be entitled) at the time of*
 14 *such determination, to monthly old-age or survivors' bene-*
 15 *fits under section 202 of the Social Security Act, as amended*
 16 *(42 U.S.C. 402), based on such participant's wages and*
 17 *self-employment income. If in the case of the participant or*
 18 *widow such military service is not excluded under the pre-*
 19 *ceding sentence, but upon attaining age sixty-two, he or she*
 20 *becomes entitled (or would upon proper application be en-*
 21 *titled) to such benefits, the aggregate period of service upon*
 22 *which such annuity is based shall be redetermined, effective*
 23 *as of the first day of the month in which he or she attains*
 24 *such age, so as to exclude such service.*

CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

SEC. 253. (a) A participant who, during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the military service shall not be considered, for the purposes of this Act, as separated from his Agency position by reason of such military service, unless he shall apply for and receive a refund of contributions under this Act: Provided, That such participant shall not be considered as retaining his Agency position beyond December 31, 1956, or the expiration of five years of such military service, whichever is later.

(b) Contributions shall not be required covering periods of leave of absence from the Agency granted a participant while performing active military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States.

PART G—MONEYS

ESTIMATE OF APPROPRIATIONS NEEDED

SEC. 261. The Director shall prepare the estimates of the annual appropriations required to be made to the fund, and shall cause to be made actuarial valuations of the fund at intervals of five years, or oftener if deemed necessary by him.

1 *INVESTMENT OF MONEYS IN THE FUND*

2 *SEC. 262. The Director may, with the approval of the*
3 *Secretary of the Treasury, invest from time to time in*
4 *interest-bearing securities of the United States such portions*
5 *of the fund as in his judgment may not be immediately re-*
6 *quired for the payment of annuities, cash benefits, refunds,*
7 *and allowances, and the income derived from such invest-*
8 *ments shall constitute a part of such fund.*

9 *ATTACHMENT OF MONEYS*

10 *SEC. 263. None of the moneys mentioned in this Act*
11 *shall be assignable either in law or equity, or be subject to*
12 *execution, levy, attachment, garnishment, or other legal*
13 *process.*

14 *PART H—RETIRED PARTICIPANTS RECALLED, REIN-*
15 *STATED, OR REAPPOINTED IN THE AGENCY, OR*
16 *REEMPLOYED IN THE GOVERNMENT*

17 *RECALL*

18 *SEC. 271. (a) The Director may, with the consent of*
19 *any retired participant, recall such participant to duty in*
20 *the Agency whenever he shall determine such recall is in*
21 *the public interest.*

22 *(b) Any such participant recalled to duty in the*
23 *Agency in accordance with the provisions of paragraph (a)*
24 *of this section or reinstated or reappointed in accordance*

1 *with the provisions of section 231(b) shall, while so serv-*
2 *ing, be entitled in lieu of his annuity to the full salary of the*
3 *grade in which he is serving. During such service, he shall*
4 *make contributions to the fund in accordance with the pro-*
5 *visions of section 211. When he reverts to his retired sta-*
6 *tus, his annuity shall be determined anew in accordance with*
7 *the provisions of section 221.*

8 *REEMPLOYMENT*

9 *SEC. 272. Notwithstanding any other provision of law,*
10 *a participant retired under the provisions of this Act shall*
11 *not, by reason of his retired status, be barred from employ-*
12 *ment in Federal Government service in any appointive*
13 *position for which he is qualified. An annuitant so re-*
14 *employed shall serve at the will of the appointing officer.*

15 *REEMPLOYMENT COMPENSATION*

16 *SEC. 273. (a) Notwithstanding any other provision of*
17 *law, any annuitant who has retired under this Act and who*
18 *is reemployed in the Federal Government service in any*
19 *appointive position either on a part-time or full-time basis*
20 *shall be entitled to receive his annuity payable under this Act,*
21 *but there shall be deducted from his salary a sum equal to the*
22 *annuity allocable to the period of actual employment.*

23 *(b) In the event of any overpayment under this section,*
24 *such overpayment shall be recovered by withholding the*

1 *amount involved from the salary payable to such reemployed*
2 *annuitant, or from any other moneys, including his annuity,*
3 *payable in accordance with the provisions of this Act.*

4 *PART I—VOLUNTARY CONTRIBUTIONS*

5 *SEC. 281. (a) Any participant may, at his option and*
6 *under such regulations as may be prescribed by the Director,*
7 *deposit additional sums in multiples of 1 per centum of his*
8 *basic salary, but not in excess of 10 per centum of such*
9 *salary, which amounts together with interest at 3 per centum*
10 *per annum, compounded annually as of December 31, and*
11 *proportionately for the period served during the year of his*
12 *retirement, including all contributions made during or for*
13 *such period, shall, at the date of his retirement and at his*
14 *election, be—*

15 *(1) returned to him in lump sum;*

16 *(2) used to purchase an additional life annuity;*

17 *(3) used to purchase an additional life annuity for*
18 *himself and to provide for a cash payment on his death*
19 *to a beneficiary whose name shall be notified in writing*
20 *to the Director by the participant; or*

21 *(4) used to purchase an additional life annuity for*
22 *himself and a life annuity commencing on his death*
23 *payable to a beneficiary whose name shall be notified in*
24 *writing to the Director by the participant with a guar-*

1 anted return to the beneficiary or his legal representa-
2 tive of an amount equal to the cash payment referred to
3 in subparagraph (3) above.

4 (b) The benefits provided by subparagraphs (2), (3),
5 or (4) of paragraph (a) of this section shall be actuarially
6 equivalent in value to the payment provided for by sub-
7 paragraph (a)(1) of this section and shall be calculated
8 upon such tables of mortality as may be from time to time
9 prescribed for this purpose by the Director.

10 (c) In case a participant shall become separated from
11 the Agency for any reason except retirement on an annuity,
12 the amount of any additional deposits with interest at 3
13 per centum per annum, compounded as is provided in
14 paragraph (a) of this section, made by him under the provi-
15 sions of said paragraph (a) shall be refunded in the manner
16 provided in section 241 for the return of contributions and
17 interest in the case of death or separation from the Agency.

18 (d) Any benefits payable to a participant or to his
19 beneficiary in respect to the additional deposits provided
20 under this section shall be in addition to the benefits other-
21 wise provided under this Act.

22 PART J—COST-OF-LIVING ADJUSTMENT OF ANNUITIES

23 SEC. 291. (a) On the basis of determinations made by
24 the Civil Service Commission pursuant to section 18 of the

1 *Civil Service Retirement Act, as amended, pertaining to*
2 *per centum change in the price index, the following adjust-*
3 *ments shall be made:*

4 (1) *Effective April 1, 1966, if the change in the price*
5 *index from 1964 to 1965 shall have equaled a rise of at*
6 *least 3 per centum, each annuity payable from the fund*
7 *which has a commencing date earlier than January 2, 1965,*
8 *shall be increased by the per centum rise in the price index*
9 *adjusted to the nearest one-tenth of 1 per centum.*

10 (2) *Effective April 1 of any year other than 1966*
11 *after the price index change shall have equaled a rise of at*
12 *least 3 per centum, each annuity payable from the fund*
13 *which has a commencing date earlier than January 2 of the*
14 *preceding year shall be increased by the per centum rise in*
15 *the price index adjusted to the nearest one-tenth of 1 per*
16 *centum.*

17 (b) *Eligibility for an annuity increase under this section*
18 *shall be governed by the commencing date of each annuity*
19 *payable from the fund as of the effective date of an increase,*
20 *except as follows:*

21 (1) *Effective from the date of the first increase under*
22 *this section, an annuity payable from the fund to an annui-*
23 *tant's survivor (other than a child entitled under section*
24 *221(c)), which annuity commenced the day after the annui-*
25 *tant's death, shall be increased as provided in subsection*

1 (a)(1) or (a)(2) if the commencing date of annuity to the
2 annuitant was earlier than January 2 of the year preceding
3 the first increase.

4 (2) Effective from its commencing date, an annuity pay-
5 able from the fund to an annuitant's survivor (other than
6 a child entitled under section 221(c)), which annuity com-
7 mences the day after the annuitant's death and after the
8 effective date of the first increase under this section, shall be
9 increased by the total per centum increase the annuitant was
10 receiving under this section at death.

11 (3) For purposes of computing an annuity which com-
12 mences after the effective date of the first increase under this
13 section to a child under section 221(c), the items \$600, \$720,
14 \$1,800, and \$2,160 appearing in section 221(c) shall be in-
15 creased by the total per centum increase allowed and in force
16 under this section and, in case of a deceased annuitant, the
17 items 40 per centum and 50 per centum appearing in section
18 221(c) shall be increased by the total per centum increase
19 allowed and in force under this section to the annuitant at
20 death. Effective from the date of the first increase under
21 this section, the provisions of this paragraph shall apply as if
22 such first increase were in effect with respect to computation
23 of a child's annuity under section 221(c) which commenced
24 between January 2 of the year preceding the first increase
25 and the effective date of the first increase.

1 (c) *No increase in annuity provided by this section shall*
2 *be computed on any additional annuity purchased at retire-*
3 *ment by voluntary contributions.*

4 (d) *The monthly installment of annuity after adjust-*
5 *ment under this section shall be fixed at the nearest dollar.*

Passed the House of Representatives October 30, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1526

88TH CONGRESS
2d Session

H. R. 8427

[Report No. 1589]

AN ACT

To provide for the establishment and maintenance of a Central Intelligence Agency Retirement and Disability System for a limited number of employees, and for other purposes.

OCTOBER 31 (legislative day, OCTOBER 22), 1963
Read twice and referred to the Committee on
Armed Services

SEPTEMBER 21, 1964

Reported with an amendment